fresh equity for the purpose of achieving prescribed capital norms to facilitate such access to the capital market, Government propose to amend the Banking Companies (Acquisition and Transfer of Undertakings) Acts, 1970 and 1980. The relevant amendments are receiving Government's attention. Government will however, continue to retain majority shareholding in the equity of the nationalised banks.

IMPLICATION FOR THE DEBT SERVICE PAYMENT

2618. DR. NAUNIHAL SINGH : Will the Minister of FINANCE be pleased to state : (a) whether it is a fact that there has been a marked shift in the composition of the country's external liabilities since the 1980's with the official sector accounting for less and less of them, and the non-official sector steadily increasing its segment; if so, the reasons therefor;

(b) whether this shift is likely to have an adverse implication for the debt service payments in future; if so, the reasons therefor; and

(c) what steps Government have taken to contain this shift to avoid any adverse implications on the debt service payments in future ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) Yes, Sir, The share of external debt on Government Account out of total external liability (excluding defence and NRI Deposits) of the country has declined from 73 percent in 1980-81 to 63 per cent in 1992-93.

(b) and (c). External debt on Government Account is received on highly concessional terms i.e. on nominal rate of interest and longer maturity period for repayment whereas debt on other accounts is being received on non-concessional terms i.e. higher rate of interest and shorter maturity period for repayment. Government is however, conscious about the country's external debt liability and keeps a constant watch on the level of country's indebtedness and likely burden of debt servicing. Government has taken a number of steps to bring about improvements in revenue receipts, to eliminate inessential and low priority expenditure, to boost exports, to increase invisible earnings, to ensure efficient import substitution, to increase non-debt creating inflow of foreign funds, and to reduce dependence on borrowed funds for financing expenditure. These steps would improve, in long term, the economic condition of the country and revitalise our growth process, including our export earning capacity, so as to enhance our capacity in generate sufficient funds needed for the economy to repay the loans and thus reduce dependence on borrowed funds.

LONG TERM PLANS FOR CAPITAL MARKET

2619. SHRI RAJUBHAI A PARMAR : Will the Minister of FINANCE be pleased to state :

(a) whether the Punjab, Haryana and Delhi Chamber of commerce and Industry has mooted a mechanism to be introduced in the Capital market to enforce post issue Governance to ensure long term health of the capital market;

(b) if so, what are the details in this regard; and

(c) Government's decision thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) and (b) : The PHD Chamber of Commerce and Industry has made a suggestion to the Securities & Exchange Board of India (SEBI) that promoters who fail to fulfil their commitments with regard to implementation of projects for reasons other than those arising from "force majeure" conditions should be debarred from raising any further funds till they have implemented the project.

(c) The responsibility for following up implementation of projects is left to institutions which have lent monies to the project as well as institutions which have appraised the project for public issue. It is, therefore, not proposed that SEBI or the Government take on this responsibility.

ENTRY OF MULTINATIONALS INTO THE INDIA ECONOMY

2620. SHRIMATI KAMLA SINHA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the process of economic reforms initiated by the present Government has ceased the entry of multinationals into the Indian economy;

(b) whether such of this entry is through a process of mergers with and acquisitions of Indian branches|companies, with little fresh investment in Indian industry; and

(c) if so, what are the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS) (DR. ABRAR AHMED) : (a) Yes, Madam. The Government policy for foreign investment in Indian Industry is based on the premises that foreign investment supplements domestic investment, encourages modernisation and upgradation of technology, and enhances international competitiveness. Accordingly, the major policy initiatives undertaken by Government in this direction since July 1991 include, inter-alia, automatic approval by the Reserve Bank of India of 51 per cent foreign equity participation in a specified list of industries, considerations of cases having foreign equity above 51 per cent by a specially constituted Foreign Investment Promotion Board (FIPB), amendment of the Foreign Exchange Regulation Act (FERA) to remove a number of constraints applicable to foreign equity and simplification of procedures for Indian companies for investing abroad.

(b) and (c) : During August 1991—October 1993, 1504 proposals having foreign investment of Rs. 10878.4 crore were approved. The actual inflow of foreign direct investment was Rs. 351.4 crore in 1991, Rs. 675.2 crore in 1992 and Rs. 1388.9 crore during January—September 1993. It is clearly evident that there is an increasing trend of foreign capital, as the amount in the first 9 months of this year is already twice as much as that achieved in the entire period of last year and is nearly four times of the level achieved in 1991.

PROFIT OF RBI

2621. SHRI ASHOK MITRA : Will the Minister of FINANCE be pleased to state :

(a) what are the details of the Reserve Bank of India's operational profits for each year since 1980-81 alongwith correspondngi data for gross earnings and expenses;

(b) the manner in which such operational profits have been disposed of; and

(c) whether a part of the profits each year was set aside to build a reserve fund ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) and (b) : The details of Reserve Bank of India's total income, total expenditure, operational profit appropriation to statutory funds and amount transferred to Government for the year 1980-81 to 1992-93 are as under :—